

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 02031 120035 Z

61

ACTION ARA-17

INFO OCT-01 ADP-00 L-03 COME-00 EB-11 RSC-01 RSR-01 /034 W
----- 044979

R 112142 Z APR 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 7163

CONFIDENTIAL PANAMA 2031

E. O. 11652: GDS

TAGS: ETRD, CPRS, PN

SUBJ: CONSOLIDATED PAINT AND VARNISH CORP. (DEITZ CASE)

REF: PANAMA 1860 STATE 207917

1. AMBASSADOR SAYRE, MR. ROBERT W. CHAMBERLIN, VICE PRESIDENT, CENTRAL NATIONAL BANK OF CLEVELAND, AND ECONOFF MET WITH PRESIDENT DEMETRIO B. LAKAS AT 4:00 PM ON APRIL 10 FOLLOWING AMBASSADOR'S REQUEST FOR APPOINTMENT ON BEHALF CHAMBERLIN AFTER VICE PRESIDENT ARTURO SUCRE CANCELLED OUT FOR SECOND TIME. MR. CHAMBERLIN'S BANK HOLDS THE COMMERCIAL PAPER ON THE SALE TO MINISTRY PUBLIC WORKS OF ASPHALT SEALING MATERIAL BY CONSOLIDATED.

2. PRESIDENT RECEIVED CALLERS IN CORDIAL MANNER AND IMMEDIATELY TOOK UP SUBJECT OF GOP DEBT FOR PURCHASE FROM CONSOLIDATED. PRESIDENT ASKED IF ANYONE AWARE OF ARRANGEMENTS MADE BY VICE PRESIDENT SUCRE. WHEN CALLERS PROFESSED IGNORANCE OF ANY INFO BEYOND " REPORTS" THAT CABINET HAD APPROVED PAYMENT OF DEBT, PRESIDENT SAID HE WOULD TRY AND CUT THROUGH RED TAPE, IMMEDIATELY ARRANGING FOR CHAMBERLIN TO SEE FINANCE MINISTER " WHO WOULD APY BILL." PRESIDENT MUSED ALOUD THAT CONTROLLER GENERAL " WOULD APPROVE APYMENT."

3. PRESIDENT THEN COMMENTED THAT SUBJECT HAD BEEN BROUGHT UP IN CABINET ON APRIL 3 AND HAD OCCASIONED BITTER DEBATE WITH MAJORITY OPPOSED TO PAYMENT, ESPECIALY MINISTER PUBLIC WORKDS AND CONTROLLER GENERAL. PRESIDENT SAID GOP HAD " MORAL OBLIGATION" TO PAY DEBT EVEN THOUGH PROPER PURCHASING PROCEDURES HAD NOT BEEN FOLLOWED AND HE USED HEAVY HAND ON CABINET TO OBTAIN GOP

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 02031 120035 Z

APPROVAL. HE SAID THAT WAS NO FAULT OF US SUPPLIER. PRESIDENT SAID MOST OF PURCHASES HAD BEEN EFFECTED WITH " PETTY CASH VOUCHERS" WITH MAXIMUM AMOUNT OF PURCHASE AUTHORIZED THEREIN BEFORE MINISTRY HAD DISCOVERED PROBLEM AND PUT A STOP TO IT. PRESIDENT SAID AGENT FOR CONSOLIDATED COULD BE PUT IN JAIL BUT THAT WOULD NOT HELP CHAMBERLIN WHOSE BANK HOLDS THE IOU. PRESIDENT'S PARTING WORDS TO CHAMBERLIN AND ECONOFF WAS THAT " YOU SHOULD TELL YOUR CLIENT THAT HE SHOULD BE CAREFUL WHO HE HAS AS AN AGENT IN PANAMA."

SAYRE

CONFIDENTIAL

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 11 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973PANAMA02031
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730441/aaaaihbm.tel
Line Count: 79
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 PANAMA 1860 STATE 207917
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 23 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23-Jan-2002 by collinp0>; APPROVED <22 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971229
Subject: CONSOLIDATED PAINT AND VARNISH CORP. (DEITZ CASE)
TAGS: CPRS, ETRD, PM
To: ARA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005